

ORIGINAL

EX PARTE OR LATE FILED

WILLKIE FARR & GALLAGHER

RECEIVED

JUL 15 1999

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20036-3384

202 328 8000  
Fax: 202 887 8979

July 15, 1999

**EX PARTE**

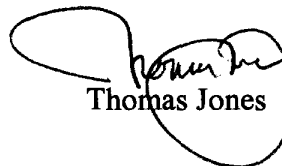
Ms. Magalie Romas Salas  
Office of the Secretary  
Federal Communications Commission  
The Portals  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Re: *Ex Parte* Presentation in CC Docket 96-98

Dear Ms. Salas:

On July 15, 1999, Don Shephard of Time Warner Telecom, Jonathan Askin of ALTS, and I met with Claudia Fox, Jake Jennings, Anthony Mastando, and Sanford Williams of the Common Carrier Bureau to discuss the availability of operator services/directory assistance and SS7 as unbundled network elements. The presentation was based on the attached outline.

Sincerely,

  
Thomas Jones

Attachment

cc: Claudia Fox  
Jake Jennings  
Anthony Mastando  
Sanford Williams

No. of Copies rec'd 012  
List A B C D E

Washington, DC  
New York  
Paris  
London

**Implementation of the Local Competition Provisions  
In the  
Telecommunications Act of 1996 (UNE Remand)**

- Time Warner Telecom fully supports ALTS' positions with respect to UNE Rules.
  - National unbundling standards.
  - Interpretation of Section 252(d)(2) "necessary" and "impair" standards.
  - National List of Unbundled Elements.
    - Time Warner Telecom would add Directory Assistance and Operator Services.
- Time Warner Telecom's experience with Directory Assistance, Operator Services, and SS7 signaling demonstrate the inadequacy of wholesale alternatives for these network elements at this point in time.
  - Time Warner Telecom is full facilities-based provider of local services.
    - Have built SONET rings and installed switches in 16 markets nationwide.
    - Original market entry relied on ILEC only for interconnection trunks, local number portability, and collocation.
  - Experience of lower quality/reliability and higher costs with third-party wholesale providers of directory assistance and SS7 services led Time Warner Telecom to conclude that parity with ILECs was unattainable. Subsequently, Time Warner Telecom migrated to ILEC network elements.

*Don Shephard  
VP – Federal Regulatory Affairs  
Time Warner Telecom  
July 15, 1999*

- Time Warner Telecom's use of alternative providers for directory assistance resulted in lower quality service at considerably higher costs.
- Comments of both carrier and non-carrier third-party vendors cite inability to obtain non-discriminatory access to ILEC directory assistance databases.
    - Non-carrier DA providers must use highly inferior alternatives to ILEC databases or pay prohibitively high prices to ILECs.
    - Carrier DA providers assert they cannot gain access to ILEC databases at price or quality parity pursuant to Section 251(b)(3).
  - ILECs have a unique advantage because they have the only complete and reliable directory assistance databases, which are updated in real time. Comments indicate 95% accuracy in ILEC databases compared to 80% accuracy from other sources.
  - Alternative providers have limited call centers nationwide, requiring costly trunking from CLEC switches.
    - Time Warner Telecom trunking costs to its vendor's single national call center cost approximately \$500,000 annually.
    - Time Warner Telecom does not have the capital nor scale economy to invest in real estate, buildings, switch facilities, personnel, and training necessary to self-provision directory assistance.
    - These same cost factors apply for Operator Services.
  - Other commenters also support the need for a directory assistance network element (Cox, AT&T, McLeodUSA, MCIWorldcom, GST Telecom, Metro One).

*Don Shephard  
VP – Federal Regulatory Affairs  
Time Warner Telecom  
July 15, 1999*

➤ Alternative providers of signaling do not offer the reliability, functionality or ubiquity of the ILECs' SS7 networks.

- Third-party signaling systems lack the diversity in signaling links of ILEC signaling networks, causing more frequent outages.
- Consequences of outages are more severe with alternative signaling systems, as larger portions of network affected by a single failure.
- Time Warner Telecom relied upon an alternative provider's signaling system from 1996 - 1998, and experienced numerous system failures with widespread effects.
  - Due to lack of system diversity, a single fiber cut affected 132 DS3s for nearly seven hours.
  - Another outage disrupted service to 800 customers in four markets.
- Lack of diversity and ongoing service problems caused Time Warner Telecom to establish SS7 signaling arrangements with ILECs. None of the third-party vendors evaluated by Time Warner Telecom offered anything close to the reliability of the ILECs' SS7 network.
- ILEC efforts to tie the signaling UNE to the switching UNE must be rejected. Most CLECs who have deployed switches have not deployed their own regional or national signaling networks. Time Warner Telecom does not have the scale necessary to justify the investment to replicate the diversity of the ILECs' signaling network.
- Without significant quality improvement in third-party signaling systems, lack of access to ILEC signaling systems will put CLECs at a severe competitive disadvantage, and will threaten overall network reliability.

*Don Shephard  
VP – Federal Regulatory Affairs  
Time Warner Telecom  
July 15, 1999*